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**VIA Electronic Filing**

Ms. A. Shonta Dunston, Chief Clerk  
North Carolina Utilities Commission  
Dobbs Building  
430 North Salisbury Street  
Raleigh, North Carolina 27603

*Re: Initial Comments of Dominion Energy North Carolina and Public Service  
Company of North Carolina Regarding Federal Funding for Utility  
Services in North Carolina  
Docket No. M-100, Sub 164*

Dear Ms. Dunston,

Pursuant to the North Carolina Utilities Commission's ("Commission") February 2, 2022, *Order Allowing Comments Regarding Federal Funding for Utility Services in North Carolina* in Docket No. M-100, Sub 164 ("Order"), Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina ("DENC") and Public Service Company of North Carolina ("PSNC", or together with DENC, the "Companies" or "Dominion") respectfully submit their Initial Comments in response to the Order.

Very truly yours,

/s/Mary Lynne Grigg

MLG:sjg

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**DOCKET NO. M-100, SUB 164**

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of	)	INITIAL COMMENTS OF DOMINION
Consideration of the Federal	)	ENERGY NORTH CAROLINA AND
Funding Available Under the	)	PUBLIC SERVICE COMPANY OF
Infrastructure Investment and Jobs Act	)	NORTH CAROLINA, INC.

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Virginia Electric and Power Company, d/b/a Dominion Energy North Carolina (“DENC”), and Public Service Company of North Carolina, Inc. (“PSNC” and, together with DENC, the “Companies” or “Dominion”) respectfully submit these initial comments in response to the North Carolina Utilities Commission’s (“Commission”) *Order Allowing Comments Regarding Federal Funding for Utility Service in North Carolina* issued in the above-captioned docket on February 1, 2022 (“Order”).

**INTRODUCTION**

The Infrastructure Investment and Jobs Act (the “Act” or “IIJA”) was enacted on November 15, 2021, and provides a number of formula and competitive funding opportunities, of which some will be direct and some will be partnership-based, which Dominion is evaluating in order to provide their customers the benefits of these opportunities such as those in the areas of resiliency, grid modification, reliability, flexibility, and electrification at the best cost to customers. The Companies appreciate the Commission’s proactive efforts to ensure that North Carolina utilities fully avail themselves of the opportunities the Act may provide, through either direct application or

via supportive partnerships with eligible entities. While the Companies are developing their strategies to assess and take advantage of the Act's funding sources, these are at a very developmental, preliminary stage. That said, the Companies intend to actively participate in as many opportunities as align with the Companies' operations in North Carolina and have already begun discussions with key North Carolina agencies and partners to ensure that the Companies are fully engaged in implementing the Act in North Carolina to the benefit of their customers.

### **INITIAL COMMENTS**

The Companies provide the following responses to the Commission's requests and questions presented in the Order.

**A. Identification of all federal programs under the IIJA that are available to North Carolina public utilities to assist them in meeting their obligations under the North Carolina General Statutes and the Rules of the Commission.**

The Companies believe that the following list illustrates the range of funding opportunities for electric and natural gas utilities. We have noted the distinction of 'direct' (utilities are eligible to apply) and 'indirect' (utilities are not directly eligible, yet have the opportunity to support, shape, and partner to enhance either probability of the eligible entity's award or the optimal application of its funds) funding by program.

Relevant to electric and natural gas utilities, and as identified by the Commission, these programs include:

- EV charging infrastructure, hydrogen fueling infrastructure, propane fueling infrastructure, and natural gas fueling infrastructure directly related to charging or fueling a vehicle (Act § 11401, indirect)
- Grant program for grid hardening activities to reduce disruption to the grid due to extreme weather, wildfires, or natural disasters (Act § 40101, direct)
- Loans under a transmission facilitation program (Act § 40106, direct)
- Funding for Smart Grid Investment Matching Grant Program (Act § 40107, direct)

- Incentive payments to hydroelectric qualifying facilities (Act 40331-40334, direct)
- Financial assistance for a pumped storage hydropower demonstration project for intermittent renewable energy (Act § 40334, direct)
- Funding for demonstration and pilot projects including energy storage demonstrations, advanced nuclear reactor demonstration projects, and hydropower projects (Title X of Act, direct)
- Federal financial assistance to States to use in coordination and collaboration with electric industry to demonstrate innovative approaches to transmission, storage, and distribution infrastructure to harden and enhance resilience and reliability and demonstrate how to enhance regional grid resilience (Act § 40103(b), indirect)

**B. Identification of actions that are reasonable and appropriate for North Carolina's public utilities to take to access those funds.**

The Companies have already begun the process of identifying key programs beneficial to each Company's operations and the steps needed to increase the likelihood of obtaining available funds. As an initial matter, building a broad consensus among affected parties to support the Companies' application for a number of these programs is critical. The Companies plan to solicit support from appropriate public, private, state, and local groups, as applicable. Having targeted support from stakeholders with a vested interest in a particular program best demonstrates why the Companies should qualify for said grant or federal program under the Act (i.e., stakeholders for resiliency programs may look different than the stakeholders for electrification programs).

**C. Identification of the entities, public or private, with which North Carolina public utilities should coordinate in order to access available federal funds.**

The Companies have already engaged with several state agencies to discuss strategy and coordination efforts related to the Act and plan to stay in close contact with key agencies and partners as they gain more clarity into the various opportunities offered by the Act. Initially, the Companies have corresponded with representatives from North Carolina Clean Energy, North Carolina climate change policy advisors, and the Governor's office. Initial dialogue indicates that the amount of coordination between different groups

will depend on the particular program at issue. For example, many of the electric vehicle infrastructure-related programs will require coordination between the North Carolina Department of Transportation, the Department of Environmental Quality, utilities, and other stakeholders involved in the development of North Carolina's clean transportation plan to meet the recent North Carolina executive orders targeting 1.25 million electric vehicles in North Carolina by 2030. The Companies will also look into leveraging initiatives that are already underway, such as Dominion Energy's engagement with the Department of Energy regarding hydrogen hubs, and determine if any programs or grants in the Act can help further those efforts. Additionally, the Companies anticipate coordination with the North Carolina Department of Administration and the federal Department of Energy, the Department of Transportation, and the Environmental Protection Agency. The involvement of these agencies will be critical, both to facilitate the application and grant processes under the Act, as well as in partnering with the Companies to implement programs once funds have been awarded.

The Companies plan to continue engaging with these agencies going forward to ensure they can leverage the grants and programs available under the Act to provide even more reliable and cost-effective service to their North Carolina customers.

**D. Identification of the processes that have been either established or contemplated by other agencies of the State.**

The Companies are not aware of any formal processes that have been established by other North Carolina agencies. At this stage, the Companies plan to continue engaging with North Carolina agencies and the Governor's office to ensure that North Carolina customers benefit as much as possible from the programs and grants created by the Act.

**E. Identification of actions that may be appropriate for this Commission to consider taking in order to facilitate appropriate receipt and deployment of available federal funding within the State.**

At this time, the Companies do not have any specific actions for the Commission to consider taking in order to facilitate appropriate receipt and development of available federal funding in the Act within North Carolina. As the Companies further develop their strategies to fully avail themselves of the opportunities under the Act to the benefit of North Carolina customers, the Companies will take appropriate action with the Commission to seek any necessary Commission approvals or similar authority as it relates to a particular opportunity under the Act. Generally, the Companies note that some of the opportunities under the Act have short timelines and the Companies will inform the Commission as soon as possible when a particular opportunity the Company is pursuing requires, or would benefit from, Commission action.

## CONCLUSION

The Companies appreciate the opportunity to provide these comments to the Commission and look forward to providing additional information that may develop prior to reply comments.

/s/ Mary Lynne Grigg\_\_\_\_\_

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**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Initial Comments of Dominion Energy North Carolina and Public Service Company of North Carolina Regarding Federal Funding for Utility Services in North Carolina filed in Docket No. M-100, Sub 164 was served electronically or via U.S. mail, first class postage prepaid, upon all parties of records.

This 15<sup>th</sup> day of March, 2022.

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